

# **APPROVED MINUTES**

## ***MEETING***

of the

## **FINANCE AND AUDIT COMMITTEE**

of the

## **MASSACHUSETTS TECHNOLOGY PARK CORPORATION**

June 20, 2024

Zoom Videoconference

The Massachusetts Technology Collaborative (“Mass Tech Collaborative” or “Mass Tech”) Finance and Audit Committee (“F&A”) Meeting was held on June 20, 2024, via Zoom videoconference, pursuant to notice duly given to the Directors and publicly posted on the Mass Tech website with corresponding notice provided to the Office of the Secretary of State and the Executive Office for Administration and Finance.

The following Finance and Audit Committee Members were present and participated: Joseph Dorant, Jeffrey Stein, and Nate Walton.

The following Mass Tech Collaborative staff were present: Carolyn Kirk, Marc Leonetti, Mary Creamer, Jennifer Saubermann, Brianna Wehrs, Rachel Stachowiak, and Paula Foley.

The following RSM staff were present: Valerie Colimon and Jean Borno.

Mr. Dorant noted the presence of a quorum and called the meeting of the Finance and Audit Committee to order at 11:01 a.m.

### **Agenda Item I            Approval of Minutes**

Prior to approval of the minutes, Mr. Stein requested that the minutes be modified to change the reference to “material risk” to “material weakness,” which RSM had indicated was the more accurate term. He then asked whether it would be accurate to note in the minutes that the Finance and Audit Committee was asked to meet with the auditors independently of Mass Tech management.

Following a period of brief discussion and upon a motion duly made and seconded, it was VOTED by roll call vote, with Mr. Stein abstaining:

**The Finance and Audit Committee of the Massachusetts Technology Collaborative Board of Directors hereby adopts the amended Draft Minutes of the meeting of the Finance and Audit Committee held on March 21, 2024, by Zoom videoconference as the formal Minutes thereof.**

**Agenda Item II      FY24 Pre-Audit Discussion with RSM**

Ms. Colimon then provided an overview of the FY24 Audit Plan. She began by discussing the proposed audit timeline, which will include a preliminary audit throughout June and July 2024, and field work occurring in August and September 2024. A final wrap-up of the audit is expected in October 2024. She then explained that the audit team consists of herself as Audit Partner, Jen Katz as Engagement Quality Reviewer, and Jean Borno as Audit Manager. In addition, Blake Normandin and Chen Shuo will act as Audit Senior Associate and Audit Associate, respectively. Before turning the discussion over to Mr. Borno, Ms. Colimon stressed the importance of open lines of communication between Mass Tech and RSM throughout the audit process.

Mr. Borno then began a discussion of the auditor’s independence required by AICPA and GAO rules and provided an overview of RSM’s overall audit strategy. This was followed by a discussion of the concept of materiality in planning and executing the audit, as well as the types of significant risks of material misstatement that RSM will be evaluating. Before closing the discussion, Mr. Borno noted that RSM will be including an “other matters” paragraph within its audit report, as well as a Uniform Grant Guidance audit of Mass Tech’s federal grants during FY24.

Following a brief discussion, Ms. Colimon and Mr. Borno left the meeting at 11:46 a.m.

**Agenda Item III      FY25 Budget Review (motion item)**

Mr. Dorant then turned to Ms. Kirk for a presentation of the proposed FY25 budget. Ms. Kirk began by discussing the significant changes that Mass Tech has undergone in the last five (5) years and noted the explosive growth in Mass Tech’s financial assistance awards during that time, with awards expected to exceed \$340 million in FY25. Ms. Kirk then explained that the primary sources of funding supporting Mass Tech’s budget are: state budget appropriations; funding from the state’s capital plan; and federally funded programs. Ms. Kirk then discussed the operating funds and capital and federal funds available to Mass Tech, and noted that the amount needed “to keep the lights on” in FY25 is \$21 million. Then Ms. Kirk turned to a discussion of each division’s cross charges to available funding used to balance the budget. Following this, Ms. Kirk provided a comprehensive explanation of each division’s budget, including an explanation of the core functions, the organization structure, and the proposed budget on a division-by-division basis. Ms. Kirk then turned the discussion over to Mr. Leonetti.

Mr. Leonetti first thanked Ms. Kirk and Ms. Mary Creamer for their work and involvement in creation of the proposed budget. Mr. Leonetti then discussed the consolidated P&L statement showing changes over the last two (2) years. He then provided an overview of Mass Tech Fund Balances, noting that the FY25 budget is funded by appropriations, bond funds, federal funds, and other revenues, as well as funds remaining from prior years’ appropriations and revenue.

Prior to voting on the motion, Mr. Stein requested that the reference to the Committee’s

“endorsement” of the proposed budget be deleted from the motion while retaining the reference to “recommendation” of approval of the budget.

Following a period of discussion and upon a motion duly made and seconded, it was unanimously and without abstention VOTED by roll call vote:

**The Finance & Audit Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“Mass Tech Collaborative Board”), acting pursuant to the authority delegated by the Mass Tech Collaborative Board, does hereby recommend approval by the Executive Committee of the Mass Tech Collaborative Board, of the Fiscal Year 2025 budget in a form that substantially comports with all material elements of the budget as presented to the Committee.**

Having determined that there was no other business to discuss, Mr. Dorant adjourned the meeting at 12:40 p.m.

A TRUE COPY ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes – March 21, 2024, Finance and Audit Committee Meeting
2. Presentation - FY25 Budget Review (motion item)